

**PUBLIC SESSION MINUTES**  
**North Carolina State Board of CPA Examiners**  
**February 18, 2019**  
**1101 Oberlin Road**  
**Raleigh, NC 27605**

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**MEMBERS ATTENDING:** L. Samuel Williams, Jr., CPA; President; Jeffrey J. Truitt, Esq., Vice President; Arthur M. Winstead, Jr., CPA, Secretary-Treasurer; Wm. Hunter Cook, CPA; Gary R. Massey, CPA; and Michael S. Massey, CPA.

**STAFF ATTENDING:** Robert N. Brooks, Executive Director; David R. Nance, CPA, Deputy Director; Frank Trainor, Esq., Staff Attorney; Lisa R. Hearne, Communications Officer; Jean Marie Small, Professional Standards Specialist; Buck Winslow; Licensing Manager; and Noel L. Allen, Esq., Legal Counsel.

**GUESTS:** Sharon Bryson, CEO, NCACPA; Mark Sotichack, CPA, COO, NCACPA; and Jonathan Kraftchick, CPA, NCACPA.

**CALL TO ORDER:** President Williams called the meeting to order at 10:02 a.m.

**RULE-MAKING HEARING:** President Williams called the Rule-making Hearing to order at 10:03 a.m. The proposed rule to be considered at the Hearing was submitted in the formal document with the Office of Administrative Hearings (Appendix I). President Williams called for anyone present who would like to speak on the proposed rule. No one came forward to comment. President Williams then inquired from the Executive Director if any written comments had been submitted to the Board to be entered in the public record. Mr. Brooks stated that the Board had not received any written comments on the proposed rule prior to the date of the Hearing. President Williams then adjourned the Rule-Making Hearing at 10:06 a.m. The entire Hearing is a matter of public record.

**MINUTES:** The minutes of the January 28, 2019, meeting were approved as submitted.

**FINANCIAL AND BUDGETARY ITEMS:** The January 2019 financial statements were accepted as submitted.

**NATIONAL ORGANIZATION ITEMS:** Messrs. Cook and Winstead moved to approve the revised draft response of the Board to the NASBA Regional Director's Quarterly Focus Questions. Motion passed.

Mr. Brooks reminded the Board members that the NASBA Quarterly Communications package contained a wealth of knowledge about the activities of other boards of accountancy as well as the issues affecting the profession.

Messrs. Cook and Truitt moved to approve the revised draft response to the proposed revisions to the AICPA Peer Review Oversight Handbook. Motion passed.

**STATE AND LOCAL ORGANIZATION ITEMS:** The evaluations of *Statement of Economic Interest* filed by Gary R. Massey, CPA, and Michael S. Massey, CPA, are recorded in the Minutes (Appendix II) of this meeting as required by NCGS 138A-24(e).

Mr. Brooks provided the schedule for the March 19, 2019, Board and Committee meetings, the Joint Dinner with the NCACPA, and the March 20, 2019, “Issues & Eggs” breakfast and Board meeting with the NCACPA.

**REPORT OF THE PROFESSIONAL STANDARDS COMMITTEE:** Mr. Winstead moved and the Board approved the following recommendations of the Committee:

Case Nos. C2018162-1 and C2018162-2 - S. Preston Douglas & Associates, LLP - Approve the signed Consent Order (Appendix III).

Case No. C2017291- Close the case without prejudice.

Case No. C2019031- Close the case without prejudice with a Letter of Warning.

**REPORT OF THE PROFESSIONAL EDUCATION AND APPLICATIONS COMMITTEE:** Mr. M. Massey moved and the Board approved the following recommendations of the Committee:

**Transfer of Grades Applications** - The Committee recommended that the Board approve the following:

Jack Austin Badger  
Caroline Marie Dausch  
Joan Harrison Freihofer  
Elizabeth Lillian Hazelton

Andrew James Locke  
Natalia Reichardt  
Matthew Leland Sexton

**Original Certificate Applications** - The Committee recommended that the Board approve the following:

Jack Austin Badger  
Darby Jane Boyd  
Matthew Taylor Carrick  
Peter Francis Cataldi  
Felix Chang  
Grayson Bennett Compton  
Daphne Macon Culp  
Caroline Marie Dausch  
Laura Alison Davenport  
Shannon Brian Earp  
Melanie Renee Falk  
Miguel Uribe Flores  
Joan Harrison Freihofer  
Anna Marie Futrell  
Meghan Ann George  
Connor Colle Gibson

Nicholas Edward Thompson Gittin  
Sarah Ann Glovier  
Brandon Mark Godwin  
Jordan Michael Harrell  
Elizabeth Lillian Hazelton  
Gregg Jaret Hemric  
Candace Lucia Hughes  
Melissa Hope Jackson  
Anna G. Jones  
Jacob Reese Kager  
Robert Francis Kocur  
Zachary Paul Lachance  
Andrew James Locke  
Matthew Burke Long  
Matthew Newton Long  
Xueer Lu

Phuong My Luu  
Alison Katherine MacKay  
Connor William Green Malatesta  
Erin Anne Mauldin  
Cicely Ann McLaughlin  
Natalia Vladimirovna Nanas  
Scott Michael Nashland  
Brittany Joann Noles  
Ann Marie Rose Ory  
Sarah Elizabeth Puccio  
Alicia Marie Racculia

Natalia Reichardt  
Brooke Scott Richey  
Lauren Page Riley  
Benjamin Wadsworth Brock Roberts  
Samuel Douglas Roebuck  
Anthony Robert Sanguinetti  
Richard Arnold Sater Jr.  
Matthew Leland Sexton  
Erin Christine Sturgess  
Casey Lynn Tierney  
Henrica Martina Van Oort

Staff reviewed and recommended approval of the original application submitted by Kenneth Gerald Cargain. Mr. Cargain failed to disclose pertinent information with his Exam application but provided it with his certificate application. Staff recommended approval of the application with a one-year probationary period. The Committee recommended that the Board approve staff recommendation.

Staff reviewed and recommended approval of the original application submitted by Brandon Tyler Farrell. Mr. Farrell failed to disclose pertinent information with his Exam application but provided it with his certificate application. Staff recommended approval of the application with a one-year probationary period. The Committee recommended that the Board approve staff recommendation.

Staff reviewed and recommended approval of the original application submitted by Taylor Alexander Davis. Mr. Davis failed to disclose pertinent information with his Exam application but provided it with his certificate application. Staff recommended approval of the application with a one-year probationary period. The Committee recommended that the Board approve staff recommendation.

**Reciprocal Certificate Applications** - The Committee recommended that the Board approve the following:

Mindy Renee Dana  
Brandon Paul Evans  
Mary Elizabeth Hamilton  
Sara Jo Martin  
Lisa M. Miceli

Dylan Mark Prince  
Ragi Youssef Riad  
Tyler Miller Roe  
Fred Allen Steele  
Daniel Scott Wise

**Temporary Permits** - The Committee recommended that the Board approve the following temporary permits that were approved by the Executive Director:

Anne Marie Soczawa, T11030  
Cory Joseph Hahn, T11031  
Bruce Darrell Jackson, T11032  
Trevor Stuart Wigle, T11033  
Rinaldo Joseph DiSalvo, T11034  
Julianne Inozemcev, T11035  
Ellen Christine Carstensen, T11036  
Eric Daniel Coselman, T11037

Verna J. Baker, T11038  
Sabrina Ruth Olsen, T11039  
Katlyn Marie Joraskie, T11040  
Ashley Morgan Mead, T11041  
Christopher Erin Hlavacek, T11042  
Nicholas Richard Dora, T11043  
Matthew Gregory Goodling, T11044  
Megan Lee Schwab, T11045

Michelle C. Stark, T11046  
Curtis Benjamin Olson, T11047  
Badri Nath Adhikari, T11048  
Michael Anthony Ziebka, T11049  
Justin Robert Allen, T11050  
Ryan William Smith, T11051  
Branden Jay Elmendorf, T11052  
Amanda Lynn D'Aprile, T11053

Jeffrey M. Krizic, T11054  
Jeffrey John Price, T11055  
Rachel Ann Shaw, T11056  
Eric Alan Ritchie, T11057  
Deborah DeHaven Brock, T11058  
Brian Jay McAllister, T11059  
Elizabeth Sheridan Gantnier, T11060  
Tyler McCue Goodykootz, T11061

**Reinstatements** - The Committee recommended that the Board approve the following:

Kathryn Marie Binns, #36441  
Ian Arthur Bradley, #33850  
Brenda B. Brown, #27017

Amy Phillips Torvinen, #28333  
Flo Renee Weaver, #20085

**Reissuance of New Certificate** - The Committee recommended that the Board approve the following applications for reissuance of new certificate:

Jennifer Acklin Dakin, #27334  
Donald Richard Oliver, Jr., #18239  
Angela Owenby Reimels, #30768

**Extension Requests** - The Committee recommended that the Board approve Patrick Pitman (#23125) for extension for completion of CPE until May 31, 2019.

**Examinations** –The Committee recommended that the Board approve the following staff-approved applicants to sit for the Uniform CPA Examination:

Jonathan Albright  
Luke Allman  
Christopher Aronis  
Katherine Austin  
Megan Austin  
Kyle Barnhart  
Christopher Beamguard  
Emily Boggs  
Alex Boseman  
Preston Bowers  
Alexandra Briggs  
Brad Bullis  
Katherine Cahill  
Brendan Cei  
David Coffey  
Amber Conley  
William Connelly  
Calista Corwyn  
Austin Crabtree  
Monica Crump  
Ha Dao

Julie Dudley  
Alicia Dunn  
Christopher Eagan  
Emmett Ethridge  
Rachel Ferrara  
Sean Fitzgerald  
Abigail Fleming  
Joanne Foster  
Kirsten Fowler  
David Freeman  
Brett Fuller  
Erin Grigg  
Julia Henderson  
Alejandra Hernandez Medel  
Katelin Hills  
Kevin Jette  
Austin Jones  
Daniel Jones  
Tyler Jones  
Milan Khadka  
Lorren Kidd

Karah Knight  
Jihe Koo  
Katherine Korol  
Margie Kruger  
Tabitha Lambeth  
Michael Leatherwood  
Isaac Levin  
Sara Lindley  
Robert Little  
Ziling Liu  
Tony Lou  
Erik Anton Lund  
Justin Mancuso  
Rachel Mann  
Diana Martinez  
Nicholas Matthews  
Jonathan Mauldin  
Alex McCutcheon  
Justin McMahon  
James McMullen  
Keegan Mills  
Jonathan Modlin  
Bianca Morales  
Randy Moss  
Natasha Murillo-Gill  
Kayla Pounds  
Emily Price  
Sheetal Puri

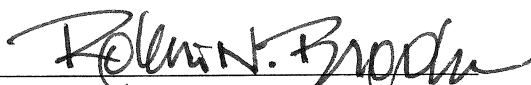
Sadie Reagan  
Sheldon Roberts  
Natasha Roman  
Tyler Roten  
Shala Sadat  
Krystal Seidel  
Vanessa Seiglie  
Evan Semon  
Logan Senelis-Jose  
Megan Shutt  
Deidra Simmons  
Mary Smith  
Mabel Soe  
Tamara Stanic  
Allan Staten  
Zachary Stevens  
Butler Stiles  
Patrick Sugg  
John Tatusko  
Erika Thomas  
Ashley Thompson  
Christopher Trevathan  
Dylan Vaughn  
Roger Warren  
Jacklyn Weatherman  
Harrison Welch  
Mallory West

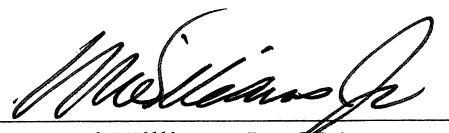
**EXECUTIVE STAFF AND LEGAL COUNSEL REPORT:** The monthly operational metrics, Executive staff report, and strategic plan update were provided.

**ADJOURNMENT:** Messrs. Cook and Winstead moved to adjourn the meeting at 10:42 a.m. Motion passed.

Respectfully submitted:

Attested to by:

  
Robert N. Brooks  
Executive Director

  
L. Samuel Williams, Jr., CPA  
President

## TITLE 21 – OCCUPATIONAL LICENSING BOARDS AND COMMISSIONS

### CHAPTER 08 – BOARD OF CERTIFIED PUBLIC ACCOUNTANT EXAMINERS

### APPENDIX I

Notice is hereby given in accordance with G.S. 150B-21.2 that the Board of Certified Public Accountant Examiners intends to amend the rule cited as 21 NCAC 08F .0105.

Link to agency website pursuant to G.S. 150B-19.1(c): [www.nccpaboard.gov](http://www.nccpaboard.gov)

Proposed Effective Date: January 1, 2020

**Public Hearing:**

Date: February 18, 2019

Time: 10:00 a.m.

Location: NC State Board of CPA Examiners, 1101 Oberlin Road, Suite 104, Raleigh, NC 27605

**Reason for Proposed Action:** 21 NCAC 08F .0105 explains how many times a Uniform CPA Examination (Exam) candidate can take the same section of the Exam. The Exam vendor is changing when an Exam candidate may retake the same section of the Uniform CPA Examination.

**Comments may be submitted to:** Robert N. Brooks, NC State Board of CPA Examiners, 1101 Oberlin Road, Suite 104, Raleigh, NC 27605; phone (919) 733-1425; fax (919) 733-4209; email [rbrooks@nccpaboard.gov](mailto:rbrooks@nccpaboard.gov)

Comment period ends: March 18, 2019

**Procedure for Subjecting a Proposed Rule to Legislative Review:** If an objection is not resolved prior to the adoption of the rule, a person may also submit written objections to the Rules Review Commission after the adoption of the Rule. If the Rules Review Commission receives written and signed objections after the adoption of the Rule in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive those objections by mail, delivery service, hand delivery, or similar transmission. If you have any further questions concerning the submission of objections to the Commission, please call a Commission staff attorney at 919-431-3000.

**Fiscal impact (check all that apply).**

- ☐ State funds affected
- ☐ Environmental permitting of DOT affected
- ☐ Analysis submitted to Board of Transportation
- ☐ Local funds affected
- ☐ Substantial economic impact ( $\geq \$1,000,000$ )
- ☐ Approved by OSBM
- ☒ No fiscal note required by G.S. 150B-21.4

#### SUBCHAPTER 08F - REQUIREMENTS FOR CERTIFIED PUBLIC ACCOUNTANT EXAMINATION AND CERTIFICATE APPLICANTS

#### SECTION .0100 - GENERAL PROVISIONS

##### 21 NCAC 08F .0105 CONDITIONING REQUIREMENTS

- (a) Passing Grades. A candidate shall pass all sections of the examination with a grade of 75 or higher on each section.
- (b) Military Service. A candidate who is on active military service shall not have the time on active military service counted against Subparagraph (c)(1) of this Rule unless the candidate applies to take the examination during the active military service, in which case each month a candidate sits shall be counted toward Subparagraph (c)(1) of this Rule.
- (c) A candidate is subject to the following conditioning requirements:
  - (1) a candidate shall obtain a passing grade on all sections of the examination within an 18-month period;
  - (2) a candidate may sit for any section of the examination individually;
  - (3) a candidate may sit for each retake section of the examination up to four times during a one-year period but not more than one time in a three-month testing window as defined by the examination vendors(s); once the candidate's grade for any previous attempt of that same section has been released; and
  - (4) credit awarded by the Board for passage of a section of the examination is valid for an 18-month period beginning on the date the section is taken.

History Note: Authority G.S. 93-12(3); 93-12(5);  
Eff. February 1, 1976;



# NORTH CAROLINA

State Board of Elections & Ethics Enforcement

Mailing Address:  
P.O. Box 27255  
Raleigh, NC 27611-7255

Phone: (919) 814-0700  
Fax: (919) 715-0135

July 26, 2018

## APPENDIX II

The Honorable Roy A. Cooper, III  
Governor of North Carolina  
20301 Mail Service Center  
Raleigh, NC 27699-0301

*Via Email*

Re: Evaluation of Statement of Economic Interest Filed by Gary R. Massey  
Prospective Appointee – Certified Public Accountants Examiners

Dear Governor Cooper:

Our office has received **Mr. Gary R. Massey's** 2018 Statement of Economic Interest as a prospective appointee to the **Certified Public Accountants Examiners (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 163A of the North Carolina General Statutes ("N.C.G.S."), also known as the Elections and Ethics Enforcement Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 163A-193(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 163A-157.

**We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.**

The North Carolina State Board of Certified Public Accountant Examiners is responsible for the certification of persons engaged as public accountants in North Carolina. The Board has authority to administer certification examinations, issue, renew and revoke certifications, and otherwise regulate certified public accountants.

The Act establishes ethical standards for certain public servants, including conflict of interest standards. N.C.G.S. § 163A-211 prohibits public servants from using their positions for their financial benefit or for the benefit of a member of their extended family or a business with which they are associated. N.C.G.S. § 163A-216 prohibits public servants from participating in certain official actions from which the public servant, his or her client(s), a member of the public servant's extended family, or a business or non-profit with which the public servant or a member of the public servant's immediate family is associated may receive a reasonably foreseeable financial benefit.

The Honorable Roy A. Cooper, III

July 26, 2018

Page 2 of 2

Mr. Massey will fill the role of a certified public accountant on the Board. He is the Director of Clifton Larson Allen, LLP and is certified by the Board. As such, he has the potential for a conflict of interest and should exercise appropriate caution in the performance of his public duties should his certification or the certifications of his coworkers come before the Board for official action.

In addition to the conflicts standards noted above, N.C.G.S. § 163A-212 prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity which is doing or seeking to do business with the public servant's agency, is regulated or controlled by the public servant's agency, or has particular financial interests that may be affected by the public servant's official actions. Exceptions to the gifts restrictions are set out in N.C.G.S. § 163A-212(e).

Pursuant to N.C.G.S. § 163A-159(c), when an actual or potential conflict of interest is cited by the Board under N.C.G.S. § 163A-189(e) with regard to a public servant sitting on a board, the conflict shall be recorded in the minutes of the applicable board and duly brought to the attention of the membership by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act.

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 163A-158. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,

A handwritten signature in cursive script that reads "Lisa S. Johnson".

Lisa Johnson, Paralegal  
NC Board of Elections & Ethics Enforcement

cc: Gary R. Massey

Attachment: Ethics Education Flyer





# NORTH CAROLINA

## State Board of Elections & Ethics Enforcement

Mailing Address:  
P.O. Box 27255  
Raleigh, NC 27611-7255

Phone: (919) 814-0700  
Fax: (919) 715-0135

July 23, 2018

The Honorable Roy A. Cooper, III  
Governor of North Carolina  
20301 Mail Service Center  
Raleigh, NC 27699-0301

*Via Email*

**Re: Evaluation of Statement of Economic Interest Filed by Michael Scott Massey**  
**Prospective Appointee – Certified Public Accountants Examiners**

Dear Governor Cooper:

Our office has received **Mr. Michael S. Massey's** 2018 Statement of Economic Interest as a prospective appointee to the **Certified Public Accountants Examiners (the "Board")**. We have reviewed it for actual and potential conflicts of interest pursuant to Chapter 163A of the North Carolina General Statutes ("N.C.G.S."), also known as the Elections and Ethics Enforcement Act (the "Act").

Compliance with the Act and avoidance of conflicts of interest in the performance of public duties are the responsibilities of every covered person, regardless of this letter's contents. This letter, meanwhile, is not meant to impugn the integrity of the covered person in any way. This letter is required by N.C.G.S. § 163A-193(a) and is designed to educate the covered person as to potential issues that could merit particular attention. Advice on compliance with the Act is available to certain public servants and legislative employees under N.C.G.S. § 163A-157.

**We did not find an actual conflict of interest, but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity.**

The North Carolina State Board of Certified Public Accountant Examiners is responsible for the certification of persons engaged as public accountants in North Carolina. The Board has authority to administer certification examinations, issue, renew and revoke certifications, and otherwise regulate certified public accountants.

The Act establishes ethical standards for certain public servants, including conflict of interest standards. N.C.G.S. § 163A-211 prohibits public servants from using their positions for their financial benefit or for the benefit of a member of their extended family or a business with which they are associated. N.C.G.S. § 163A-216 prohibits public servants from participating in certain official actions from which the public servant, his or her client(s), a member of the public servant's extended family, or a business or non-profit with which the public servant or a member of the public servant's immediate family is associated may receive a reasonably foreseeable financial benefit.

The Honorable Roy A. Cooper, III

July 23, 2018

Page 2 of 2

Mr. Massey will fill the role of a certified public accountant on the Board. He is a certified by the Board. He is also a member of the North Carolina Association of CPAs. As such, he has the potential for a conflict of interest and should exercise appropriate caution in the performance of his public duties should his certification, the certifications of his coworkers or if the Association come before the Board for official action.

In addition to the conflicts standards noted above, N.C.G.S. § 163A-212 prohibits public servants from accepting gifts, directly or indirectly (1) from anyone in return for being influenced in the discharge of their official responsibilities, (2) from a lobbyist or lobbyist principal, or (3) from a person or entity which is doing or seeking to do business with the public servant's agency, is regulated or controlled by the public servant's agency, or has particular financial interests that may be affected by the public servant's official actions. Exceptions to the gifts restrictions are set out in N.C.G.S. § 163A-212(e).

Pursuant to N.C.G.S. § 163A-159(c), when an actual or potential conflict of interest is cited by the Board under N.C.G.S. § 163A-189(e) with regard to a public servant sitting on a board, the conflict shall be recorded in the minutes of the applicable board and duly brought to the attention of the membership by the board's chair as often as necessary to remind all members of the conflict and to help ensure compliance with the Act.

Finally, the Act mandates that all public servants attend an ethics and lobbying education presentation. N.C.G.S. § 163A-158. Please review the attached document for additional information concerning this requirement.

Please contact our office if you have any questions concerning our evaluation or the ethical standards governing public servants under the Act.

Sincerely,

A handwritten signature in cursive script that reads "Lisa S. Johnson".

Lisa Johnson, Paralegal  
NC Board of Elections & Ethics Enforcement

cc: Michael S. Massey

Attachment: Ethics Education Flyer

NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
Case #C2018162-2

IN THE MATTER OF:

S. Preston Douglas & Associates, LLP  
Respondent

| CONSENT ORDER

THIS CAUSE, coming before the North Carolina State Board of CPA Examiners ("Board") at its offices at 1101 Oberlin Road, Raleigh, Wake County, North Carolina, with a quorum present. Pursuant to N. C. Gen. Stat. § 150B-41, the Board and Respondent Firm stipulate to the following:

1. S. Preston Douglas & Associates, LLP (hereinafter "Respondent Firm"), is a registered certified public accounting firm in North Carolina.
2. The Board received a referral from the NC Office of the State Auditor ("OSA") alleging that the Respondent Firm had submitted an audit report for a local government entity that did not meet applicable financial reporting requirements.
3. The Board reviewed the audit report and independently reviewed the audit documentation deficiencies identified by OSA.
4. The Respondent Firm's audit procedures did not conform with generally accepted auditing standards in that the documentation was insufficient.
5. The Respondent Firm wishes to resolve this matter by consent and agrees that the Board staff and counsel may discuss this Consent Order with the Board *ex parte*, whether or not the Board accepts this Consent Order as written. The Respondent Firm understands and agrees that this Consent Order is subject to review and approval by the Board and is not effective until approved by the Board at a duly constituted Board Meeting.

BASED upon the foregoing, the Board makes the following Conclusions of Law:

1. The Respondent Firm is subject to the provisions of Chapter 93 of the North Carolina General Statutes and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
2. The Respondent Firm's failure to perform audit services in accordance with generally accepted auditing standards constitutes a violation of 21 NCAC 08N .0403.
3. Per N.C. Gen. Stat. § 93-12(9), 93-10(b) and also by virtue of the Respondent Firm's consent to this order, the Respondent Firm is subject to the discipline set forth below.

Consent Order - 2

S. Preston Douglas & Associates, LLP

BASED on the foregoing and in lieu of further proceedings, the Board and the Respondent Firm agree to the following Order:

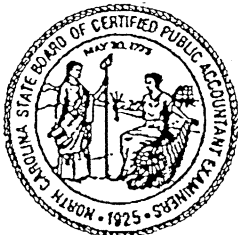
1. If the Respondent Firm opts to continue to provide audit services the following conditions must be met:
  - a. Each staff member participating in single audit engagements must take an additional 8-hour group-study A&A CPE course related to Internal Control testing in the single audit environment. The CPE may not be included as part of the annual 40-hour requirement for North Carolina CPAs. The CPE must be completed by May 31, 2019.
2. The Respondent Firm shall pay a one thousand dollar (\$1,000) civil monetary penalty to be remitted with this signed Consent Order.

CONSENTED TO THIS THE 13<sup>th</sup> DAY OF February, 2019.  
(Day) (Month) (Year)

John L. Grunow, Jr.  
Individual authorized to sign on behalf of Respondent Firm

APPROVED BY THE BOARD THIS THE 18 DAY OF FEBRUARY, 2019.  
(Day) (Month) (Year)

NORTH CAROLINA STATE BOARD OF CERTIFIED  
PUBLIC ACCOUNTANT EXAMINERS



BY: Mr. William Jr.  
President